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TAGS: PGOV PREL PBTS PHUM KDEM KCOR AM IR AJ
SUBJECT: AZERBAIJAN/OSCE: FM MAMMADYAROV DISCUSSES
AZERBAIJAN'S DEMOCRATIC DEVELOPMENT, N-K, AND IRAN WITH
USOSCE AMBASSADOR FINLEY

Classified By: AMBASSADOR ANNE E. DERSE PER 1.4(B,D)

11. (C) SUMMARY: During a March 28 meeting with visiting USOSCE Ambassador Finley, Foreign Minister Mammadyarov was upbeat about his recent visit to Washington but thought critics should acknowledge more Azerbaijan's steady democratic progress. Mammadyarov said political dialogue between opposition and ruling parties and civic education would improve the election climate; adding that the internationals place too much focus on the composition of election commissions. Mammadyarov worried that the sudden death of the Armenian Prime Minister would hurt the negotiations, which he feared Russia would undermine in the long run. Worried about increasing Iranian immigration, Mammadyarov said the GOAJ was focusing on the nascent rise of religious extremism. Mammadyarov assured Ambassador Finley that the GOAJ managed transparently its bonanza oil revenue and promised heightened anti-corruption efforts. The Foreign Minister said the GOAJ supported Kazakhstan's bid for Chairmanship of the OSCE. END SUMMARY

DEMOCRATIC DEVELOPMENT AND POLITICAL DIALOGUE

12. (C) In his March 28 meeting with visiting Julie Finley, U.S. Ambassador to the Organization for Security and Cooperation in Europe (OSCE), Foreign Minister Mammadyarov was upbeat about his recent trip to Washington. He said it would take three generations for Azerbaijan to reach President Aliyev's goal of a secular Muslim state based on democratic principles. Critics needed to take Azerbaijan's history and the mentality of the people when passing judgment. He pushed back on concerns DRL A/S Lowenkron and NGO representatives had noted about Azerbaijan's democratization, arguing that individual problem cases did not mean Azerbaijan was failing to make steady progress. Ambassador Finley reminded Mammadyarov that allies of Azerbaijan would continue pushing the GOAJ ahead because we all want Azerbaijan to succeed. Regarding the domestic political situation, Mammadyarov agreed Azerbaijan had to develop a culture of dialogue between opposition and ruling parties. He agreed with Ambassador Finley that the B aku OSCE office should create a framework for dialogue and play the role of moderator, rather than lecturing. Mammadyarov noted that the GOAJ had initiated discussions with civil society in the past, citing as an example the joint commission between the GOAJ and NGOs on political prisoners two years ago. According to Mammadyarov, the President has pardoned some political prisoners that the commission had identified. He said that he would like to solicit public opinion on Azerbaijan's Euro-Atlantic integration, particularly on the European neighborhood policy.

ELECTORAL REFORM

¶3. (C) Turning to Azerbaijani elections, the Foreign Minister said that Americans often "view the glass as half empty," while the GOAJ believes it has made real progress. The international community focuses too much on the composition of election commissions and changes to the Electoral Code. He supported non-partisan composition of the election commission rather than including the opposition parties, who he views have a "friend or enemy" mentality. Mammadyarov emphasized that civic education was as important as elections and was a top priority. He believed Azerbaijan's success lay in teaching Azerbaijan's youth to respect democratic values, rule of law, good governance, and respect for human rights.

NAGORNO-KARABAKH NEGOTIATIONS

14. (C) Mammadyarov implied that the "sudden death" (his quotes) of Armenian Prime Minister Andranik Markarian was suspicious and worried it would negatively affect the Minsk Group negotiations. Mammadyarov told Ambassador Finley that he does not believe the Armenian side was sincerely negotiating a settlement. The Armenian President Robert Kocharian wants his legacy to be "victor" in NK. Mammadyarov believed Russia would accept moving to the first stage of a solution because Russia also cannot support the "ethnic cleansing" that occurred and wants to avoid an ongoing occupation; but, he said, Russia is not interested in moving past the first stage. Mammadyarov suggested that Russia's real interest remains protecting Armenia as a strategic partner and outpost to maintain control of the southern Caucasus. He concluded that the Armenian diaspora should press for a solution to save Armenia from poverty and irrelevance.

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IRAN AND RELIGIOUS EXTREMISM

15. (C) The Foreign Minister took a serious tone when he said that Azerbaijan has to "keep an eye on its neighbor to the south," Iran. Since they started issuing visas to Iranians, the GOAJ has tracked an increasing number of Iranians crossing the border. He speculated they were coming to escape the results of recent UN Security Council resolutions, international sanctions, and the increasing price of real estate in Iran. Mammadyarov said that this is the primary reason President Aliyev established the State Commission on Immigration, and that the GOAJ is working on an action plan to address the increased migration flow. Responding to Ambassador Finley's question on the extent of religious extremism in Azerbaijan, Mammadyarov said that traditional Azerbaijan culture was strongly secular and that the GOAJ was addressing carefully emerging incidents of extremism so as to avoid upsetting the status quo.

MANAGING THE OIL WEALTH - IT'S A MATTER OF TIME

16. (C) Ambassador Finley urged the GOAJ to stay focused and move ahead wisely when managing its oil income, as it could last only twenty years or so, according to the experts. Corruption at the top could derail all hopes, she said. Mammadyarov insisted that Azerbaijan manages its oil revenue transparently through the oil fund that international auditors check regularly. Mammadyarov said that the process of eliminating corruption is psychological, and that while most GOAJ agencies have made efforts to reduce bribery, they need to move to the next level of fighting corruption. He noted that the GOAJ has to consider two factors when deciding how to spend the oil revenue: the difficulty that poverty imposes on the population and the opportunities the revenue presents to develop Azerbaijan's non-oil sectors. The Foreign Minister listed regional transportation and tourism as examples of growth sectors, emphasizing the need to

develop adequate infrastructure for either sector to flourish.

${\tt KAZAKHSTAN'S\ BID\ FOR\ OSCE\ CHAIRMANSHIP}$

- ¶7. (C) Responding to Ambassador Finley's query about Kazakhstan's bid for the OSCE Chairmanship, Mammadyarov said that he thought it was a good idea to let a former CIS country take the lead, although he understood that Kazakhstan,s 5000 kilometer border with Russia may cause concern for others. Ambassador Finley questioned how anyone could support Kazakhstan in light of its blatant failure, despite its lofty OSCE aspirations, to implement even two or three democratic reforms. While Mammadyarov understood Ambassador Finley's point, he thought it was best for both Kazakhstan and Azerbaijan if Kazakhstan got the chairmanship.
- $\underline{\ }\ 18.$ (U) Ambassador Finley cleared this message. DERSE